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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

SPECIAL ISSUE
February 1986

Our readers tell us that the "New Developments" section of the Arizona Labor Market Information Newsletter is a popular, widely read feature. In this special issue, we reprint the "New Developments" from 1985.

The original sources for this information are many but we rely heavily upon newspapers and economic periodicals. A development which was not reported in these sources might have escaped our attention. Space requirements, too, often limit our ability to include all the information that deserves mention. Nonetheless, it is hoped that this will serve as a convenient summary of many of the significant developments pertaining to the Arizona labor force and economy during 1985.

The entries have been organized, by month, under large general headings.

1985 New Developments

MANUFACTURING

January - Varian Associates Inc., the Palo Alto, California-based high technology firm, has opened a new electronics assembly center in Tempe designed to assemble and test printed circuit boards for 14 of the company's 21 divisions that produce systems and components for the defense, medical, and communications markets. The 55,000 square-foot plant has a current staff of 10 but will eventually employ 250 people when it reaches full operation in 1987. Of the 240 people to be hired, according to a company spokesman, 100 will be engineers and technicians and the rest will be hourly assembly people.

Gates Learjet Co., which has recently laid off 400 of its Tucson work force, has made special efforts to help the discharged employees find jobs with other companies. As a result of these efforts, including an "outplacement job fair," some 175 ex-employees have found full-time jobs. Of that number, 110 left Tucson for employment and 65 are working in Tucson. The majority of the 400 persons laid off at the airplane manufacturing plant were sheet metal workers. Another large category was electronic technicians and assemblers.

February - Penn Athletic Products, the nation's largest maker of tennis balls and racquetballs, is moving its headquarters from Monroeville, Pennsylvania, to Phoenix. The headquarters building, set for completion in April 1985, is being built next to

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Arizona Labor Market Information Newsletter
WINNER OF THE ICESA 1985 LMI PUBLICATION AWARD

Nancy Augustin, editor
Processed by R.A. Clerical Support Unit

the company's production plant and R & D facility in the 43rd Avenue Industrial Park. Nine key staff members will make the move to Phoenix. The company will be hiring between 20 and 25 administrative personnel beginning this month.

Hughes Aircraft Co., which is already Tucson's largest industrial employer, plans to hire about 500 people in early 1985. Most of the positions are for electromechanical assemblers, with a minimum of six months industrial soldering experience required or certification from a recognized training program. Salary is to start at $4.50 per hour. The hirings will bring the total number of people employed in the Tucson missile manufacturing plant to about 7,000. Additional workers probably will be hired later in 1985.

March - Bowmar Instrument Corporation, originator of the first hand-held calculators, will be moving its headquarters from Acton, Massachusetts, to Phoenix. The company is seeking an acquisition or a merger in the Phoenix area, and to be present in the Phoenix area within six to 12 months. Having long since abandoned production of calculators, the firm is now a manufacturer of precision electronic and electromechanical products. Little or no new employment for Phoenix-area residents will result from the move by Bowmar's small corporate staff.

April - Tucson's Arizona Daily Star polled executives of area electronic firms to learn of their expansion plans. AiResearch Manufacturing lead the list with expectations to add 900 jobs. AiResearch, a subsidiary of the Garrett Corporation, has broken ground on the first 350,000 square feet of an eventual million square-foot plant at 1100 North Oracle Road. This electronic component manufacturer for military aircraft will employ 1,300 when the plant opens about this time of year in 1986. By 1993 the plant will employ 4,000. The company now has 403 workers at two sites in Tucson.

Unitronics, manufacturer of circuit boards, will add about 100 in 1985 according to one company executive. It has recently tripled its plant size to 62,000 square feet and hired 262 bringing its total employment to 495.

The Arizona Daily Star listed the following companies as Southern Arizona's Electronics Top 10 employers ranked by employment:

1.	IBM	5,500
2.	Burr-Brown	1,246
3.	National Semiconductor	700
4.	TEC	625
5.	Unitronics	526
6.	Hamilton Test Systems	470
7.	AiResearch Manufacturing	400
8.	West-Corp of Arizona	300
9.	Thor Electronics	222
10.	Vaeco Instruments	200
	General Instruments	200

Tucson's Hughes Aircraft Co. began construction on a 210,000 square-foot, two-story, $22.5 million structure for its missle-manufacturing facility. When construction is completed, Hughes aircraft will occupy more than one million square feet of buildings. The new space will house a machine shop, assembly area, laboratory, and offices.

A Korean hat manufacturing firm is negotiating with the Hopi Tribal Council for a site in a Hopi industrial park near Winslow. The Young An Hat Co. would build a 115,000 square-foot building and eventually employ 400 Hopis if the lease agreement is approved by the Hopis and the U. S. State Department. The company already has seven plants worldwide, and is building an eighth in Costa Rica.

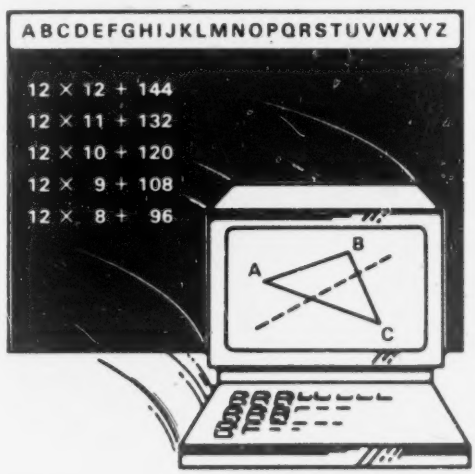
The Navajo Tribal Council is negotiating with the Lamb Weston Co. of Portland, Oregon for a french fry plant on lands of the Navajo Agricultural Products Industries. The Portland company proposes to buy its potatoes from the tribe. Michael Allison, director of economic development for the Navajos, has some concerns about requested up-front investment costs to the tribe of at least $1 million.

May - Sunstrand Corp., an Illinois-based manufacturer of aerospace and industrial equipment, plans to open an electronics-assembly plant at Black Canyon Tech Center on Interstate 17 between Union Hills and Bell roads. On June 1 the firm will occupy two structures, one a 60,000 square-foot single-story building and a second having 40,000 square feet of space. The company officials are not prepared to discuss at this time the number of employees to be hired, but Maurice R. Smith, director of Sundstrand's advanced-technology group, said a second manufacturing site in the West also is being considered by the firm. Sundstrand's products include electrical-generating systems, pneumatic systems, navigation systems, underwater propulsion systems, high-speed pumps, and heating and air-conditioning equipment.

General Semiconductors Industry is building a diode manufacturing facility in Cottonwood. This will be the first high technology manufacturing plant in the small Verde Valley town. Gerald Myers, GSI president said the facility is scheduled for completion in September of this year.

Coleman Products Inc., a Wisconsin-based manufacturer of electronic products, plans to employ 200 local people at a new plant in Nogales, Arizona by September of this year, said Tom Koos, plant manager. The American Motors subsidiary plans to manufacture wire harnesses and other electronics equipment at the new plant.

Productive Programs Inc., a Phoenix software company, has assumed the responsibility of managing the national dealer network for Tailored Data Inc. of Minneapolis. Tailored Data produces a line of fully integrated accounting software packages that



are IBM-compatible. William Schuster, president of Productive Programs says that their support staff is being increased along with newly installed 800 numbers for customer calls.

Microage Inc., the parent company of Microage Computer Stores Inc. of Tempe, recently completed a $6 million private placement in preferred stock. The funds will be used to establish a 110,000 square-foot distribution center in Tempe, an 8,000 square-foot retail store, the development of a private label program, and overseas expansion.

Data Processing Security Inc., a Dallas computer installation and security company, is planning to build a $3.5 million com-

puter facility near Sky Harbor International Airport. The 16,000 square-foot plant will serve as an insurance computer to companies in the event of a computer failure. Charles Scoma, vice president of Data Processing, said more than 100 companies have enrolled in the program including Texaco, Shell, Time-Life, Florida Light and Power, and Hallmark Cards. Data Processing has facilities in eight cities of the U.S. The Phoenix facility is expected to open within the next year depending on response in the market place.

Megatronics Inc., has signed a preliminary licensing agreement with Elite Circuits Inc., of San Diego. Meagatronics will manufacture and market printed circuit boards, utilizing the injection-molding technology developed by Elite Circuits. Megatronics also announced the expected completion of installation of a solder coating center in the Phoenix area early this month.

Krueger Technology was able to become the first full-service surface mount contract assembly house in Arizona by placing $400,000 in new production equipment orders during the month of March. The equipment is expected to be in operation by June 15.

MINING

January - About 100 copper miners have returned to work at reduced wages despite a continuing strike at the Anamax Mining Co.'s Twin Buttes Mine. The strike by about 350 production workers began August 1, 1983, over terms of a new contract. The mine has operated during the strike with a work force of salaried employees. The 100 recalled workers will replace 187 salaried employees being laid off as Anamax curtails production.

February - Phelps Dodge Corp. has closed its Morenci smelter, affecting some 450 hourly workers who were hired after 13 unions went on strike in July 1983. The company is accomplishing the closure with a combination of layoffs, early retirements, and shifts to other company operations. The cost of complying with federal clean air laws has been cited by company spokesmen as the reason for the shutdown. Prior to the closure, Phelps Dodge employed about 1,850 people at the complex, including about 1,400 hourly workers.

March - Phelps Dodge Corporation announced one-time losses of $195 million in the fourth quarter of 1984, plus additional yet-to-be posted losses on operations. The one-time losses were expected to reduce Phelps Dodge's net worth by nearly 20 percent--to about $790 million. Fourth quarter losses combined with losses of $50 million reported in the first three quarters of the year will have reduced the company's net worth by at least 25 percent from a year ago.

Phelps Dodge worker union decertification ballot counts were announced on January 25 by the National Labor Relations Board in Phoenix. Thirteen unions are now at risk for potential decertification after all avenues of appeal are exhausted. The total unchallenged vote was 1906 to 87. The unions who may be decertified by this process include: the United Steelworkers, the Machinists union, the International Brotherhood of Electrical Workers, the Operating Engineers, the Plumbers and Pipefitters union, the Boilermakers union, the Carpenters union, the Painters union, the United Transportation union, the Teamsters, the Chemical Workers union, the Carrier's union, and the Metal Trades Council of the AFL-CIO.

By mid-February a second company was in the middle of a union decertification process. Workers at Duval Corporation's Sierrita copper mine near Tucson voted 314 to 286 to decertify the United Steelworkers, Teamsters, Laborers, and Operating Engineers unions as their bargaining representatives. A fifth union, the International Brotherhood of Electrical Workers, was not included in the decertification process.

April - Magma Copper Co. announced plans on March 8, 1985, to spend $71 million to build a new open-pit copper mine and leaching plant. It would build it near its present underground mine at San Manuel. Magma expects nearly 100 workers to be employed drilling and hauling ore from the open pit by the end of 1985. Another 50 will be added when a new solvent extraction-electrowinning plant is finished in mid-1986. Mag-

ma's parent, Newmont Mining Corporation's board of directors agreed with Magma engineers that the new open pit and leaching process could produce copper profitably even at today's prices--about 65 cents a pound.

May - The April 4 closing of the Phelps Dodge Corp. New Cornelia copper smelter will mean a loss of 200 jobs for Ajo smelter workers. Company officials said only 35 employees will be transferred or retire when the smelter closes. The high cost of air quality control equipment required to permit the smelter to operate beyond December 31 was cited by company officials as one of the causes for the shutdown. Leonard R. Judd, senior vice president in charge of western mining operations said, "The inherent handicaps of operating a small smelter located a long distance from the sources of concentrates were just too great to overcome." Spokesman Ken Bennett says copper would have to rise above 80 cents a pound and remain there for some time before the company could reopen Ajo's New Cornelia smelter. Prices now are 65 to 67 cents for producers.

Representative Jim Kolbe, R-Arizona, introduced a bill April 4 aimed at stopping the International Monetary Fund from making low-interest loans to Third World copper-producing countries like Chile, Peru, Zambia, and Zaire. Kolbe said they are flooding the copper market and depressing the price. Four point four billion dollars were loaned to those countries between 1975 and 1983.

June - Phelps Dodge claims that it is at about "break even" despite hard times that have fallen on the industry since 1982 and a strike that started on July 1, 1983 at the Morenci and Ajo facilities. In fact, Phelps Dodge claims that it came out ahead in the strike and, as far as the weak copper market goes, Leonard Judd, Phelps Dodge's new chief of western mining operations said, "We can take advantage of a strong market, we can hold our own in a weak market--we think we can hold our own in any case." This optimism comes about despite current copper prices that remain far below the average cost of its production. In fact, Phelps Dodge, the nation's largest independent copper company, is moving to concentrate more on copper and less on other interests while other copper companies are divesting themselves of copper properties. The key to success now, Phelps Dodge says, is for copper inventories to continue dropping enough to drive copper prices back up.

COMMUNICATIONS

January - Continental Telephone Co., which provides telephone service to towns in the White Mountain area and markets communication systems throughout the state, plans to consolidate its Phoenix-based Mountain Division with its Northwest Division in Bellevue, Washington, resulting in the relocation of about 50 employees. Other employees will be transferred to the company's Show Low office, with a current staff of 200. The consolidation is expected to be complete by March 1985.

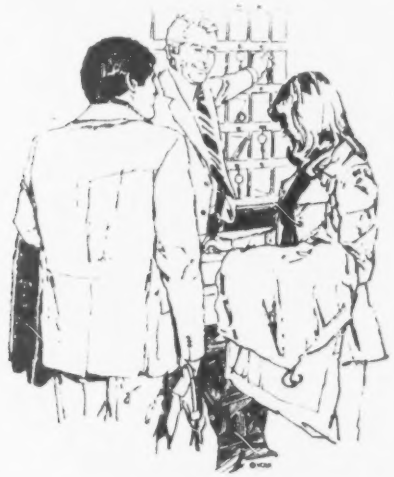
HOTELS

January - The Radisson Hotel Corp. plans to develop four hotels in Arizona within the next year. Two hotels are planned for Tucson, one inn-type hotel will be built in Yuma, and negotiations are under way for building a hotel along the Camelback corridor in Phoenix. Radisson recently opened a hotel in downtown Mesa which will employ about 240 people.

February - American Continental Corp. has purchased the Phoenician Golf and Racquet Club for $20 million and plans to build a massive $150 million resort hotel on the site. In addition, the Phoenix-based home builder has announced plans to build two other hotels--a 300-room business traveler's hotel in Phoenix which should be complete by Christmas 1986, and a 125-room luxury inn in Tucson set for completion in mid-1986. Construction on the Phoenician project will begin this summer, with completion expected in time for the 1986 winter season.

May - The city of Bisbee will receive an $800,000 grant to build a 60-room hotel and convention center. The total cost of the project will be $4.9 million and it will be built by Collier-Craft Development Co.

June - Arizona's lodging industry (motels, hotels, and trailer parks) generated receipts of $538 million and paid $150 million to 22,000 employees in 1982, according to the Census of Service Industries conducted by the U.S. Bureau of the Census. Receipts per establishment within the entire lodging industry averaged $764,000 in



1982 and employment per establishment averaged 31 workers. Employee pay averaged just $6,800, which indicates the industry's need for part-time and seasonal workers as well as for a large number of unskilled workers. One-half of the motels, hotels, and trailer parks were outside the metropolitan areas of Arizona, yet due to their small size, their share of the industry's employment and receipts was only about 25 percent. In contrast, lodging establishments in Maricopa County numbered only about 33 percent of the state total, but they generated 60 percent of total receipts. Copies of this study can be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

PUBLIC ORDER AND SAFETY

January - The state Corrections Department will begin building a 650-bed prison in Winslow this year that will provide about 350 jobs, most of which will probably go to Navajo County residents. The prison is expected to open in 1986.

The Tucson City Council has approved the hiring of 25 police officers. According to the police chief, the 25 officers will be "overhires" that will provide a means of filling vacancies and keeping pace with population growth from anticipated annexations.

LAYOFFS

January - Diamond's Department Stores, recently acquired from Dayton Hudson Corp. by Dillard Department Stores, has laid off 32 of the approximately 600 employees at Diamond's headquarters in Tempe. The cutbacks affected employees in the auditing, financial-planning, credit, and accounting departments. No cutbacks were made at Diamond's stores, which employ about 2,900 people.

Terak Corp., a Scottsdale computer-graphics manufacturer, has laid off 23 salaried employees. Sixteen of the employees worked on the creation of a new product line which is now complete. Terak's computer-graphics systems are designed for computer-aided design and drafting.

Phoenix-based U-Haul International has cut management salaries by 10 percent to meet demands of its creditors and eliminated holiday bonuses for its 10,000 full-time employees. About 4,000 management personnel will be affected by the salary cuts, including 500 based in Phoenix.

February - Kroy Inc., a Scottsdale-based graphics firm that nearly halved its Midwest manufacturing force December 3, has also laid off about 30 engineering and administrative workers at its Scottsdale facility. Kroy blamed the cutbacks on lower sales and earnings in the last several quarters.

Gates Learjet Corp. has laid off more employees at its Tucson factory where about 400 workers were terminated last fall. Approximately 60 salaried and hourly employees were furloughed, chiefly in the finance, payroll, and personnel departments. Few production workers were affected in this round of layoffs.

March - Ramada Inns Inc. eliminated 140 of 700 jobs on Friday, February 1 at its corporate headquarters in Phoenix. Desire for

improved efficiency and profitability were cited as reasons for the intended layoffs. The action was expected to position Ramada for future growth and to enable focusing its human resources on priority areas of its business, according to Ramada's president.

Burr-Brown Corporation of Tucson dropped 210 of 280 temporary employees hired under contract through four temporary-help firms in late January. Layoffs came after a short-lived surge in orders that had built up over Christmas holidays. Greater stability for its permanent workforce of 1,300 was cited as the reason for using contracted temporary help. The temporary employees had been working for periods ranging from three to eight months.

Tucson's Pacific Fruit Co., a wholly-owned subsidiary of Southern Pacific Transportation Co., laid off 95 workers during February. Reasons given were lack of demand for refrigerated railway cars to carry fresh produce and frozen foods from California to the East, and strong competition from trucks. Low supply and consequent higher value of the current lettuce crop made truck transportation a more desirable mode, according to growers.

GenRad, Inc.'s Phoenix Service Products Division expected to layoff eight to 15 percent of its 350 employee work force at January's end. The percentages were as specific as GenRad spokesmen could be about the Phoenix location, but 400 of 3,500 were cut from its worldwide operations including Phoenix.

April - ITT Courier Terminal Systems announced plans in February to lay off 350 Tempe workers over a three month period. The layoffs were to begin in March. "Cost containment" was cited as the reason for the cutbacks. ITT had determined it was cheaper to subcontract for component assembly in Korea and Taiwan, than to assemble them here. About 1,350 ITT Courier employees will still be employed in the Valley, and some growth is also expected. Employment expansion will come in the areas of research and development, engineering, marketing, sales administration, sales, field support, and administrative functions, said Jack Milligan, ITT Courier vice president of personnel. The company did plan to make some effort to place laid-off workers in other areas of the firm. ITT plans to keep its headquarters in Tempe.

Intel Corp. announced layoffs in February for its Deer Valley plant in Phoenix as well as for other of its plants on the west coast. Intel's plant at 2402 W. Beardsley Road was to lose 75 to 100 while another 500 were to be laid off in California and Oregon. Those laid off in Phoenix included managers, engineers, software designers, and assemblers. An existing Intel plant in Chandler was not expected to be affected by the layoffs, but another Chandler plant under construction "will stand empty until business improves," according to Frank Vaughn, Intel public relation manager. The layoffs marked Intel's first personnel cuts in 11 years "during a particularly sluggish period in the semi-conductor industry," in the words of Dr. Gordon C. Moore, Intel's chairman and chief executive officer.

Burr-Brown Corp. laid off 37 regular employees after announcing layoffs of 267 temporary employees in February. The regular staff layoffs represented three percent of the firm's 1,260 employees. Burr-Brown Corp. is located at the Tucson International Airport Industrial Park on South Tucson Boulevard.

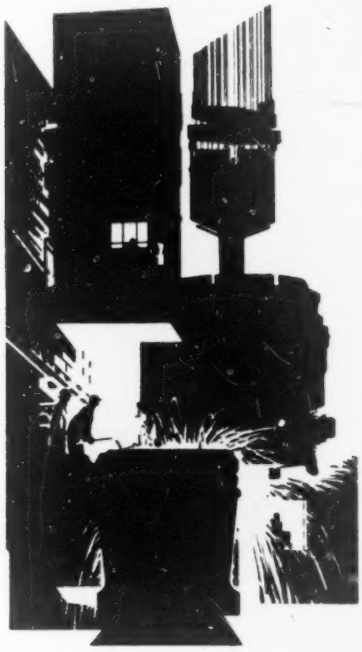
Prescott's KUSK-TV (Channel 7) laid off 12 full-time employees and several part-time staffers on March 15 in a desperate bid to remain solvent. News staff were affected, and the announcements signaled the end of local television news coverage.

July - Motorola announced layoffs of 200 employees in May "despite a series of measures implemented by the company to keep workers employed," said Ken Phillips, a Motorola spokesman. A stagnant market for semiconductor products was blamed, bringing with it a 47 percent decline in Motorola's first-quarter profits compared with the same quarter in 1984. Motorola is the second largest semiconductor manufacturer in the world behind Texas Instruments. Its Semiconductor Products Sector employs about 14,000 people in the Valley and 43,000 worldwide.

St. Luke's Medical Center announced a personnel cutback equivalent to laying off 156 people at the end of May due to a reduction in patient load and income. Officials point out, though, that actual jobs lost would only total about 50 since the bulk of the cutback will come from attrition and a reduction in the number of hours worked by hourly employees. Phil Riske, the hospital's public information officer, said the cuts will be across the board and are very necessary since the hospital's number of patients has averaged only 53 percent of capacity since July 1984.

About 65 jobs at Phelps Dodge Corporation operations in Bisbee are to be eliminated within six months because the company is ceasing its limited gold and silver mining there. The mining company has 91 employees in Bisbee who make from $9.35 to $14.22 per hour. Phelps Dodge expects to gradually reduce the work force to about 25 people. Jack Ladd, director of employee relations, says that more than a third of the workers qualify for early retirement. Others are to be offered transfers to other Phelps Dodge operations if jobs are available.

August - Marathon Steel Co. announced in mid-June that it would lay off 410 workers and discontinue operations at its steel-rolling mill and production facility in south Tempe. The rolling mill, at Kyrene and Elliott roads, produces steel bars used in construction and grinding balls used in mining. Marathon President Frank Biega said, "The plant would need substantial upgrading of its steel-making equipment to overcome its present high operating costs. However, such improvements cannot be justified economically because of excess production in the Southwest and substantial imports of foreign steel, which have resulted in depressed prices for the mill's products. As a consequence, the rolling mill division has been unprofitable for the past several years." Roy Santa Cruz, subdistrict director for the United Steelworkers of America in Phoenix, which represents about 360 of the workers who will be laid off, said that if Marathon follows through with plans to close the plant, he hopes to negotiate a settlement of several thousand dollars to help retrain workers who would lose their jobs.



September - Greyhound Lines announced August 23 that they will lay off 219 Phoenix employees and also move their national charter-bus operations from Phoenix to West Des Moines, Iowa. This announcement was the first indication of how the nationwide "cutback program" announced August 8 would impact upon Phoenix employees. This cutback was announced, and now followed through with, due to declining ridership on Greyhound Lines. In Phoenix, 87 of the company's 180 corporate headquarter employees, most of them managers, will be laid off by September 13. Don Behnke, a spokesman for Greyhound Corp., said it would be "more economical" for the company to recruit locally (in Des Moines) than it would be to transfer the Phoenix employees.

October - Nortronics Company Incorporated of Tucson dismissed 63 local employees in September and will move the manufacturing of magnetic recording heads to its Maquiladora plant in Nogales, Sonora to cut costs. Plant manager, Earl Weibeler, said the closing is "an economic decision based on the downturn in the computer industry. Our level of business hasn't allowed us to keep this plant open." He said Nortronics has seen a substantial decrease in orders from two of its customers--one local and one in Colorado--but he declined to give specifics or identify the companies.

Motorola announced in mid-September that it will either dismiss or transfer 200 employees at its Mesa facility due to a drop in demand for semiconductors. This would bring the total number layed off so far this year in the Valley to 520 employees. However, company spokesman Ken Phillips, added that "It's certainly our intention to transfer as many as possible. These are trained workers." The Mesa plant, at Broadway and Dobson roads, employs about 4,000 people. Valleywide, Motorola has about 22,500 employees.

Gates Learjet Corporation also announced plans in mid-September for layoffs for 400 to 500 employees at its Tucson and Wichita, Kansas plants. The company has yet to determine the exact number of layoffs or how they will be split between Tucson and Wichita. A decline in sales of its business jets, coupled with an end of production of military jets in October, were cited as reasons for the layoffs.

INDIAN JOBS PROGRAM

January - The Navajo Tribal Council has agreed to establish a jobs program that would spend more than $10 million for reservation communities to create jobs in their areas. The money for the program would come from anticipated revenues from a Utah International coal contract renegotiation approved by the council. Approval by the coal company's clients and the Interior Department are also required.

May - A program to provide jobs for residents of the Navajo reservation, where unemployment is more than double that of the rest of the state, was approved by a Senate panel. Two hundred fifty seven thousand dollars will be appropriated to set up employment services offices in Window Rock, Chinle, Kayenta, and Tuba City. The offices will be set up by the Department of Economic Security, but eventually would be run by the Navajo Tribal Council. The offices will provide information on jobs available throughout the state and work to bring potential employers and workers together.

The Navajo Tribe has agreed to use $50,000 in tribal funds to help establish a tribal sewing factory in Fort Defiance. The community agreed to put $35,388 of its own funds into the project and to provide the workers and supplies needed to renovate a tribal warehouse for use as the factory. Michael Allison, director of Economic Development for the tribe, said the factory will produce its own line of clothing, based on clothing worn by Navajo cowboys. The company is also planning to seek government clothing contracts. Initially, the factory will provide 19 greatly needed permanent jobs. Unemployment rates in the Fort Defiance area have been high for many years. The sewing factory is scheduled to be in operation by July 1.

PROGRAM HELPS MENTALLY RETARDED FIND JOBS

January - Jobs were found in Tucson by 30 of 53 mentally retarded young adults who were among 280 enrolled in a two-year experimental program conducted nationally. The Tucson success rate, 56 percent, was greater than in any other city where the program ran. Participants found jobs in housekeeping, laundry, woodwork, electronic assembly, and food preparation. The program is continuing in Tucson through federal job training partnership financing and is operated by the Arizona Training Program office of the Developmental Disabilities Division of the Arizona Department of Economic Security. DES will accept 20 more mentally retarded young adults into the program in the first six months of 1985.

APPRENTICESHIPS

January - The Arizona Operating Engineers will begin accepting applications January 2 for entrance to its joint apprenticeship and training system. Applications will be accepted through January 31 from individuals between 18 and 30 years old who have a high school diploma or the equivalent. For additional information, call the Phoenix office at 252-6138 or the Tucson office at 623-2655.

The Phoenix Electrical Joint Apprenticeship and Training Committee for the Electrical Contracting Industry is accepting applications for its inside wireman and residential trainee programs. Applicants must have a high school diploma or the equivalent and reside in the Phoenix metropolitan area.

Additional information about the programs and applying is available by calling the Phoenix Electrical JATC office at 263-8104.

EDUCATION

January - Maricopa County Community College District officials have projected 3,500 fewer "full-time student equivalents" in the 1985-86 school year than originally expected, probably because of an improved economy. Officials now estimate the equivalent of 27,200 full-time students will attend district community colleges next year, nearly identical to the present figure of 27,141. Economic prosperity has also been cited by Dale Parnell, president of the American Association of Community and Junior Colleges, as the reason for a nationwide plateau in growth among two-year colleges.

GTE Corp., the parent company of Phoenix-based GTE Communications Systems, has selected Arizona as one of six states and the District of Columbia to participate in the $800,000 GTE Corp. Growth Initiatives for Teachers fellowship for 1985. The program provides funds for professional development and school enrichment opportunities to outstanding mathematics and science teachers in grades 7 through 12.

The Defense Department has chosen Carnegie-Mellon University as the home of a new computer-software institute. A consortium of 10 colleges, including Arizona State University, will constitute the Software Engineering Institute. ASU anticipates receiving several million dollars for research over the next five years as a member of the consortium.

The Phoenix Elementary School District is expected to cut at least 50 of its teachers and staff next year. Most of the reductions in staff will not affect certified teachers but will target custodians, attendance workers, bilingual-education aides, librarians, and other non-certified workers. An additional 100 employees, including assistant principals, teachers, and school nurses may also have to be laid off if a proposed budget override fails.

February - The business school at Arizona State University has received a $500,000 grant to form the "Hahn Center for Entrepreneurship." The center will give students hands-on experience in forming their own businesses as well as provide services to individuals in the community seeking entrepeneurial help. A similar center was created last year at the University of Arizona with a grant from Karl Eller, chairman of the Circle K Corp.

A community-college advisory board has recommended the establishment of a nontraditional "community college without walls" in Coconino County. The board supports a form of college that "uses available resources--business and industry, agencies, public-educational entities--on a contract basis for services and facilities." Coconino is among five counties in the state that do not have community colleges.

May - Job opportunities for school teachers will be better in 1985-86 than 1984-85 according to the annual survey of placement officials conducted for the Association for School, College, and University Staffing. The survey indicated "considerable teacher shortages" in chemistry, computer programming, data processing, mathematics, and physics. The placement officials expected a surplus only of physical education teachers. The survey was conducted by James N. Akin, associate director of Career Planning and Placement at Kansas State University. Copies of the report are available, free of charge, from the Association for School, College, and University Staffing, Box 4111, Madison, Wisconsin 66506.

June - On June 27 and 28 Vocational Industrial Clubs of America (VICA) will bring 6,000 vocational students and teachers to the Phoenix Civic Plaza. This will be Phoenix's biggest convention of the year and it will inject $3.2 million into the state's economy, according to Mayor Terry Goddard. Carolyn Warner, state superintendent of public instruction, said that vocational education "is not getting the attention it should" at the national level and that a "surge in that area is long past due." She said 1985 and 1986--the two years for the Phoenix VICA conventions--

"promise to be landmark years for vocational education in Arizona." Mayor Goddard added that the convention will be the first to use the newly completed addition to the Civic Plaza to capacity.

July - Arizona could confront a teacher shortage this coming fall according to statements released by Arizona State University's Career Services office regarding their report "Teacher Supply and Demand in Arizona: Fall 1985." Ray Castillo, assistant director of Career Services points out that "this year (fall 1984 and spring 1985) a total of 1,443 student teachers had assignments in Arizona schools. However, there are 2,730 projected fall openings. So, the shortfall is 1,287." He points out the decline in teachers graduating from the state's four-year universities and colleges as a main cause of the shortage. During the 1983-1984 academic year Arizona graduated 1,005 teachers, less than half of the 2,187 teachers graduated in the 1974-1975 academic year. ASU, which produced 1,086 teachers nine years ago, showed the greatest decline --547. The University of Arizona was down 273, NAU was off 234, and Grand Canyon College decreased by 28. If the state relied solely on an in-state supply of new teachers, it would experience a severe teacher shortage this fall. Fortunately, one-half of Arizona's teachers come from out-of-state.

AUGUST - An investment in college educations pays off in lower unemployment, according to research by Anne Young of the Bureau of Labor Statistics. Her statistics showed that nearly one out of every 10 men without any college training (9.5 percent) was unemployed last year. But only 2.7 percent of men with a college degree--about one in every 37--were unemployed. Even among men with some college training, the unemployment rate was still about half of those without any college, 5.2 percent. Men with more education also were more likely to be in the labor force, that is, working or looking for work. About 85 percent of men with no college training were in the labor force, but 95 percent of men 25 to 64 years old with four years of college were either employed or actively looking for a job.

Women with a college education also are employed more. Only about half of the women with no college training (57 percent) are in the labor force, and 7.6 percent are unemployed. Note that even without any college, working women have about a two percent lower unemployment rate than men without any college. But with four years of college, more than three-quarters of women 25 to 64 years old (78 percent) are in the labor force, and only 2.7 percent of them are unemployed. The low unemployment rate for college-educated women is identical to that of men.

	No College	4 Years College
MEN		
Percent in Labor Force	85.0	95.0
Percent Unemployed	9.5	2.7
WOMEN		
Percent in Labor Force	57.0	78.0
Percent Unemployed	7.6	2.7

One reason college-trained people are seldom unemployed is because they have more jobs to choose from. If no work is available in their chosen field, they can find work as sales clerks or cab drivers until something better turns up. But a factory worker left unemployed because the plant closed has an almost impossible task of making the transition to an office. However, if present trends continue, the future employment picture looks bright because the number of college-educated people has been growing rapidly. A college education may look expensive, but it is dirt cheap when compared to a 9.5 percent unemployment rate.

May - Faculty salaries are up 6.6 percent nationally this academic year and the average faculty member is making $30,960. It was the fourth consecutive year in which salaries increased faster than inflation said W. Lee Hansen, professor of Economics at the University of Wisconsin. Salary increases for college administration also outdistanced the rate of inflation for the current academic year according to a new survey by the College and University Personnel Association.

CONSTRUCTION

February - Construction has begun on the first phase of a $35 million complex at 24th Street and Highland in Phoenix. Phase I will consist of two four-story buildings on five acres. Plans for phase II are not yet finalized. The site is the former location of the DeVry Institute of Technology which has moved into new quarters at 2149 West Dunlap Road.

March - Del E. Webb Corporation announced plans to build a $92.4 million corporate headquarters on 8.75 acres in Phoenix on Seventh Street between Catalina and Earll. It will be a $1.4 million complex including two 12-story, 250,000 square-foot office towers, a 16-story, 270,000 square-foot residential tower with 160 condominiums, and a six-level, partially underground, 670,000 square-foot parking facility. Construction is to begin, pending rezoning approval in April 1986. The Del E. Webb headquarters will occupy the phase I office tower which will front on Seventh Street. The phase II office tower is slated for construction in 1988, if market conditions are favorable.

The Lehndorff Group, owners of the Park Central Shopping Center, announced plans for a $450 million development featuring a high-rise hotel and four high-rise office buildings on land surrounding the mall. Construction is expected to begin in late 1985 and be completed by October 1987. If the City Council approves, the project will include a 40-story office tower fronting Central Avenue, a 14-story office building near the main entrance of the existing mall, and a six-story building toward the back of the 46-acre property. These three buildings would have 925,000 square feet of rental space. In addition, a 15-story hotel is planned for the southeastern corner of the property also fronting on Central Avenue, and would be rented to a major hotel chain. Finally, a 210,000 square-foot, 14-story office facility will be constructed next to the St. Joseph's Hospital & Medical Center parking garage. Two six-story parking garages beside the mall will provide parking for cars using these facilities.

Gateway Square, another multi-million dollar project for Central Avenue was also announced late in January. Going up on two sides of Central Avenue at McDowell and connected by pedestrian walkways, the project will provide another 480,000 square feet of office and retail space. The west of Central part of the project will be under construction in May, but the east side will not be constructed until 1992. Patrick Properties is the developer, and space is planned for a public art forum to allow the Phoenix Art Museum across the street to present cultural shows.

Lincoln Resorts, a $75 million "Arizona Biltmore" style resort complex to be built near Lincoln Drive and Miller Road in Scottsdale, should be completed in about two years, according to the investment-banking firm of Fogel & Co., Inc. of Phoenix. The resort will cover a 29-acre parcel north of Lincoln Drive adjacent to the Arizona Canal, and a planned-city 18-hole golf course in Indian Bend Wash. Lincoln Resorts hopes to win the bid to construct the city golf course. Fogel & Co., Inc. is working in partnership with Dahlberg Industries of Phoenix who have developed such projects as The Lakes in Tempe.

Sun State Savings is financing a $43 million project called The Ridge at Sedona. With 150 acres to be developed, it represents one of the last large privately-owned parcels available for development in the area, according to Parker Development Company developers. Located on Highway 179 in the village of Oak Creek, the development will contain 370 units--59 single-family golf course lots, 67 townhome villas, 137 casitas, a resort hotel, an athletic club, a golf course, and a 70,000 square-foot shopping center.

April - A new 23-story United Bank Tower will be built in Tucson. Construction is scheduled to begin in May. The Tower will be the city's tallest building, and will be part of a three-building, $150 million project to be known as the Tucson City Center. United Bank will move its southern division headquarters into 30,000 square feet on the first and second floors. It will also lease executive office space on the 18th floor. The remaining two buildings of the project will be constructed within five years according to the Reliance Development Group Inc. of New York. Reliance is developing the project in partnership with Venture West Group, Inc.

Construction of a 42,000 square-foot four-story building to be called the Citadel has begun at Pinnacle Peak and Pima roads in Scottsdale. It will be a $7 million office and retail center. Sundt Corporation is the general contractor, and completion is expected in November.

Laderman & Lohr have secured funding from BA Mortgage of Arizona, a BankAmerica Company, to build Midtowne Business Center III. It will be a 93,000 square-foot, $14 million, four-story building at First Place and Earll Drive in Phoenix. Construction will begin in March and completion is expected by early 1986. The site is near Park Central Mall, an area of considerably more additional new development. Koll Co. is the general contractor.

The Corporate at Squaw Peak, a three-story structure on 4.2 acres at 7310 North 16th Street in Phoenix is to be constructed from April through January. Raco Development Corporation will build the $10.8 million office structure at its site less than a half-mile south of The Point at Squaw Peak. Raco executives claim the North 16th Street area is emerging as another very desirable corporate office corridor, because of its proximity to the Camelback and Central Avenue corridors.

Sierra Vista will more than double in size someday if Tenneco Corporation's development plan is approved by the Cochise County Board of Supervisors. Tenneco has filed for approval to develop 4,000 acres--more than six square miles--immediately adjacent to the city. If the development plan is approved it will enable additional growth of 40,000 people living in 18,000 new units. Tenneco has already begun developing 2,000 acres in a project known as Pueblo del Sol.

There are 2,500 completed houses in that development, and Tenneco has invested $25 million putting in streets and utilities.

Houston's Tenneco Corporation is a major land holder throughout Arizona controlling land totaling more area than all of Santa Cruz County. Tenneco views Sierra Vista as in the same stage Tucson was in in 1952 with potential for population growth to 100,000 by the year 2000. Supporting that potential is the presence of Fort Huachuca and the area's desirability as a retirement center, Tenneco officials claim.

The third unit of the St. Johns Coronado Generating Station will be constructed during 1986. Salt River Project's Coronado plant manager, Marshall Rice told the St. Johns' Regional Chamber of Commerce on January 21 that completion of engineering and design work is expected during 1985 with construction to begin during early 1986. Employment levels would then rise over three years peaking at 800 or 900 during 1989. After reaching that peak, construction employment would be reduced as completion is approached in 1991. The new unit should be ready for commercial operation on May 1 of that year. Added operations staff of 170 will be brought on board when the plant becomes operational. SRP also anticipates beginning to soon hire apprentices for training in 1986.

May - With the recent award of Development Action Grants, Shirley Villegas, a South Tucson City Council member, says she is confident the city's high unemployment rate will be reduced. South Tucson will receive a $5,000,000 grant to help finance a technical center. It plans to loan the grant to the DEV/TECH group, a combined management consulting firm, commercial and industrial real estate brokerage, and general contracting business. It will use the loan to buy land for the Butterfield Technical Center. The center will be located at the Butterfield Business Center, northeast of East

Irvington and South Palo Verde roads. Some 625 full-time and 25 part-time jobs are to be created from the medical and electronic research and development center. Construction is scheduled to begin in June and completion is targeted for May 1986, city officials say.

Construction will begin soon on the $20 million Koll Business Center on the northwestern corner of 48th Street and Interstate 10. The 24-acre site will be developed in phases and will contain 300,000 square feet. The center is a joint venture of Koll Construction Co. as the developer, and Williams Lyon Co.

Land clearing has been completed for the $8 million, 225-unit apartment complex of 10 two-story buildings on nine acres at Central Avenue and Highline Canal. It is being built for the Paul Ash Investment Co., Tucson.

A $9 million, 252-unit apartment complex on East Baseline is the first phase of a planned 27-acre commercial and residential project. Future development will include

another 275 apartments, 108 houses for senior citizens, and a shopping center at Seventh Street and Baseline. Randy Reid of Steppe & Wilson Architects in Tempe said, "We think this shopping center is very viable." There is only two percent commercial vacancy rate in the area.

A 40-acre medical campus in South Mountain Village is in its second phase. The campus is owned by Memorial Hospital, said Mandy Weaver, of Devenney & Associates LTD. Specialists in the $3 million facility will include obstetrics-gynecology, orthopedic surgery, general surgery, and pediatrics.

Earlie Homes, Inc. has announced the opening of its new subdivision, Alta Mesa townhomes, on McClellan Road east of McKellips in Mesa. The townhomes are part of the 912-acre masterplanned Alta Mesa community which will also accommodate 99 units. The plan calls for a country club, commercial services, shopping, and recreational facilities to be built.

The A.S.U. Bureau of Business and Economic Research ranked the following cities according to their percent increase in home sales for 1984.

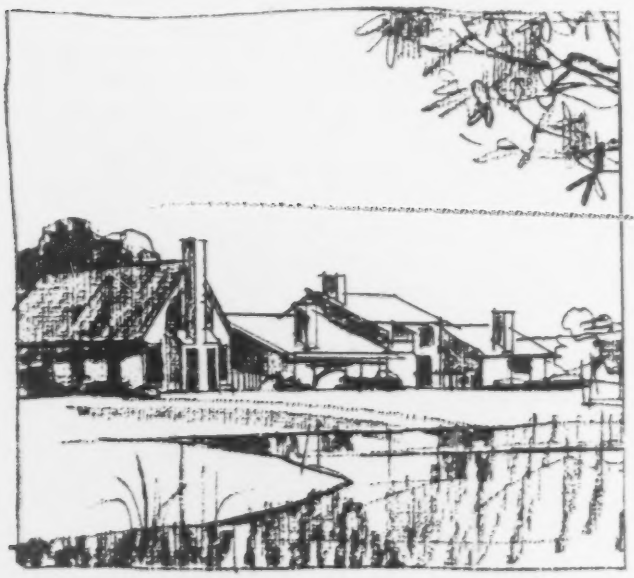
1.	Gilbert	49%
2.	Chandler	27%
3.	Scottdale	19%
4.	Tempe	11%
5.	Glendale	8%
6.	Sun City	6%
7.	Phoenix	4%

June - Phoenix could become home to the tallest building in the world if international businessman George Schriqui gets his way. His plan is for a 114-story, 1,692-foot tower taking in eight blocks bounded by Central and Third Street, and Moreland and Garfield streets. The building would be 238 feet taller than the Chicago Sears Tower and triple the number of stories of the Valley Bank Center downtown, which is now Phoenix's tallest building. Inside the tower would be 2.8 million square feet of space: 15 levels of townhouses and condominiums, 23 levels with 480 hotel rooms, two levels of restaurants, two levels of retail shops, and 72 levels of offices. Schriqui says he picked Phoenix because it was in its "takeoff" phase and that his discussions (of the height) with city and community leaders as well as European investors told him that, "they need that drama--they are looking for a kind of identity." City and state officials already have agreed to spend $58,000 to study whether special access can be provided from Central to the Freeway, and aviation officials will have to grant a height waiver for the building to go ahead.

Ground was broken May 6 on a $20 million jai alai complex to be located on the northern edge of the Gila River Indian Reservation. Jai alai competition, which

somewhat resembles handball, will bring the first pari-mutuel betting on the sport in Arizona and with it some $7 million or more annually to the Gila River Community. The facility is expected to create 500 jobs, a third of which are guaranteed to the Indian people. C.A.H.R. Inc., which is doing the construction, will also donate $1 million a year from a one percent tax to a special fund for educational and health needs on the reservation. Arizona Attorney General Robert Corbin, however, feels that jai alai betting violates the state criminal code and also that organized crime could become involved. He says, "Las Vegas can't control it. Atlantic City can't control it. What makes the Indians think they can control it?" Mr. Corbin says he will file suit in federal court to shutdown the games if gambling is allowed. The complex is due to open in October 1986.

Tempe's planned "Corporate Lakes" project has been expanded from a $400 million project to a $735 million project which will include a major shopping mall, apartments, and condominiums. The revised plan will expand the original 3.6 million square-foot complex to 5.6 million square feet, with one million square feet of additional space



devoted to residential housing. Tom Baker, senior vice president for the Wolfswinkel Group of Mesa, the developer, said "We're talking about doing a major retail complex like the Biltmore Fashion Park." The development will be situated on 133 acres bounded by Baseline Road, the Superstition Freeway, Interstate 10, and Priest Drive. The mall will front Baseline Road and have a lake system behind it.

Office space in Tucson is now about four million square feet with a vacancy rate of 19.5 percent. However, once all the commercial buildings now being built or planned are completed, office space will increase about 50 percent to six million square feet. This is according to a survey conducted by the Del E. Webb Realty and Management Company. The survey showed that 43 office buildings are being built or are in the planning stage. The average size of these new buildings is 43,500 square feet, substantially more than the 32,000 square-foot average of the area's 127 existing office buildings. The building activity is spread throughout several areas: the northwest side, the east side, and the far west side of Tucson will get 500,000 to 548,000 square feet each. The remainder of the projected two million square-foot increase will go to the central and downtown areas.

The Phoenix Civic Plaza has spent $40 million on its expansion that began in 1982 and the results will be seen on June 1, when the new plaza opens. The addition includes a 28,000 square-foot ballroom, 300,000 square feet of exhibit space, and 43 meeting rooms. Also expanded were the kitchen facilities which will now have a feeding capacity of 10,000 people. Dennis Maus, Civic Plaza director says that due to the expansion, the Plaza will be able to bid for and handle "98 percent of the conventions being held in the country today."

Arizona Futures Corporation is hoping to get a long-term ground lease on an 800-acre parcel of state-owned land in northeast Scottsdale. The land will go up for auction at the end of the year, and Arizona Futures Corporation hopes to be able to use it for a "Scottsdale Futures Park" which is expected to employ some 25,000 people. The park would provide businesses with centralized computer facilities and messenger and financial services. A "New Ventures Incubator Center" would provide managerial sup-

port and venture capital to new companies. At a "National Center for Aging Well" researchers would focus on how to stay healthy while living longer. The employees themselves would be surrounded by high-tech amenities, including a teleconferencing center, a minibus, and a helicopter shuttle system. The project is expected to be completed within five years.

July - The International Microelectronics Innovation Center (IMIC) was recently announced as one of the first future tenants of the Arizona State University Research Park. The $50 million, 244,000 square-foot project is designed to provide emerging microelectronics-related companies with leasable clean-room space to conduct research and development and will be "of extreme economic importance to any city or state hoping to become a center for high technology growth," said ASU engineering dean, C. Roland Haden. "Part of our goal will be to attract semiconductor facilities to the area. Having larger firms as tenants will help us do that," Haden said. The IMIC Group will break ground this fall on the first phase of the project which will consist of four to six 5,200 square-foot clean-room modules as well as common space for computer-aided design and other costly equipment used in microelectronics design. "For start-ups, these are expensive items that often sit idle," said Haden. He compares the importance of the International Microelectronics Innovation Center to the joint effort of about 20 major technology companies at the Microelectronics and Computer Technology Corporation project in Austin, Texas. Haden said, "We think this Tempe facility will be better than the MCC project. MCC benefits the companies that already exist and are supporting that research. It's not bringing Austin any new companies." In contrast, he said, "The (IMIC) center will serve as a spawning ground and could conceivably produce 10 new semiconductor companies."

More than $8 million in financing has been arranged for the renovation of two Phoenix Union High School (PUHS) buildings that will be converted to office space. BA Mortgage of Arizona has provided $8,250,000 to developers James and Fredric Kaufman for the renovation of a 142,000 square-foot, four-story building and an adjacent 19,000 square-foot structure. The buildings are situated on 2.3 acres at Fifth Street and Taylor. The project represents the first phase of a planned redevelopment of the historic PUHS campus, according to Gibson Gorman, president of BA Mortgage. "The project is part of BA Mortgage's ongoing commitment to downtown redevelopment," Gorman said. "We have committed more than $32 million to date for downtown development." Walter Jorgensen, senior loan officer, who arranged the PUHS financing, said there is a need downtown for office space comparable to the Phoenix Union space. He said comparable office buildings in the downtown area are more than 90 percent leased. James Kaufman said the city of Phoenix has leased the entire project. He said the city prosecutor, Municipal Court, and the Water and Wastewater Department are scheduled to be relocated to the renovated space. The Kaufman Co. has begun the renovation. Completion is scheduled for October. The project is immediately east of a planned "superblock" consisting of proposed office, retail, hotel, and cultural facilities. The six-block project, bounded by Van Buren, Fillmore, Third, and Fifth streets, could include a major shopping center with an office complex surrounding a central greenbelt garden area.

Prescott has been chosen as the site for a new convention center by James Mack of J. Mack & Company, a Tempe firm. The land adjacent to the golf course on Antelope Hills is the specific site, chosen in part because of its proximity to Prescott's airport. The center will eventually consist of 7,500 square feet of meeting room facilities and a five-story hotel with 250 rooms. J. Mack and Company committed to starting the project within 18 months and, as earnest money, has agreed to deposit $25,000 with the city.

Another project has been announced for Prescott. South West Fishing Industries, a new Phoenix-based company, plans to build a fish farm about 25 miles north of Prescott on 240 acres east of Chino Valley. The company projects a fish-year production of 600 tons of fish from 60 tanks, with subsequent

expansions based on revenues from the operation. The farm will eventually produce 4,200 tons of trout per year and employ 60 people.

August - Construction began on the Arizona State University Research Park June 18 with the groundbreaking for the Transamerica Research Center which is being built and will be managed by Transamerica Realty Services. This will be a 50,000 square-foot, $5 million research center and the entire building will be for lease by smaller research and development (R&D) firms. Reginald Owens, executive director of the research park, says that what is important about the Transamerica Research Center is that it will help the research park accommodate smaller R&D firms which could not afford the expense of constructing their own buildings.

Construction is under way on the second phase of the Phoenix Tech Center, an industrial facility exclusively for high-technology users. The $9 million addition to the center at Elliot Road and Interstate 10 is expected to be completed in November, according to John Lewis, vice president of the contractor, Koll Co. The new construction will include three research and development buildings similar to those built in the first phase. The three will total 134,000 square feet.

Ground was broken for a $12.7 million military helicopter training facility to be constructed north of Pinal Airpark at Marana. Operations at the 161-acre site, where scout and attack helicopter pilots will be trained by the Army National Guard, are scheduled to start October 1, 1986. About 600 students will be trained each year.

The joint-venture partnership of Ocotillo West announced plans for a new 2,700-acre mixed-use development in Chandler. They hope to attract the kind of light, "clean" industry found in California's Silicon Valley--and the high-paid employees of these firms as residents. Touted as a "new town" within the city of Chandler, the Ocotillo development takes the concept of a self-contained community a step further in this market. When completed, the development bounded by Alma School, Price, Chandler Heights, and Queen Creek roads will consist of approximately 66 percent residential use (including open space); 25 percent employment, commercial, office, and special use; and 23 percent in recreational areas. Motorola's new Government Electronics Group facility, under construction on the north side of the development, will eventually employ about 6,000 people. Guy Donahue, an Ocotillo West partner, said that no other commitments have been made by business to relocate to Ocotillo, but he envisions a community that will accommodate companies such as Intel and other high-tech firms. Land Planner Wayne Smith said, "Motorola gave great confidence in the project with the decision to build in the area." City officials said they welcome the development with "open arms," and so they should. According to Donahue, the projected assessed value on the land in phase I is $250-300 million, and upwards of $600 million for the entire 5,000-acre project.

A group of business leaders has announced plans to redevelop two six-block areas downtown into $500 million worth of office, hotel, retail, and cultural facilities. The plan would turn Fillmore Street into a wide boulevard and close other streets. Stephen Dragos, executive vice president of the Phoenix Community Alliance, said whether any other city help would be needed would be up to the developers, who are still being sought. He emphasized, however, "It would be better for us and better for the city if we could do it privately." The two projects, called the Central Avenue and Superblock mixed-use projects, are planned around the land holdings of past and present Alliance members: Arizona Public Service Co., Phoenix Newspapers, Inc., and the Snell and Wilmer law firm. The first project, the Superblock, is a 16-acre site bounded by Van Buren and Fillmore streets and Third and Fifth streets. The second project, the Central Avenue development, is bounded by First Street and First Avenue from Van Buren to Fillmore. As with the Superblock, nearly 75 percent of the land is in the hands of four owners in or cooperating with the Alliance. The developers of each project hope to acquire the remaining parcels of land within the areas, but

if they are unsuccessful, they will ask the City Council to condemn the property to make it available.

The Arizona NFL Expansion Franchise Ltd. bills itself as the group most likely to entice an NFL franchise to Phoenix. The group is headed by Joe Foss, former commissioner of the American Football League, and Bart Starr, former coach and quarterback of the Green Bay Packers. On June 17, in a meeting before business and government leaders, members of this group presented their proposal for building a 65,000-seat, open-air football stadium and, in a second phase, a 35,000-seat domed baseball stadium. John Colbrunn, a partner in the group, said, "The NFL has said more than once that part of the problem with (establishing a team in) Phoenix is that they don't know with whom they're dealing and that everybody has a (different) plan." Even Mayor Terry Goddard was enthusiastic, saying, "This is clearly the most serious and completely thought-out effort I have seen," though he adds, "But there are others, and that's why we have to go the RFP (request for proposals) route."

The stadiums would be built on 60 acres bordered by 13th and Fourth avenues and Jefferson and Harrison streets. Business leaders have taken the lead in pushing for a stadium and an accompanying football team, but the City Council, through its zoning authority and other powers, holds the key to determining whether a stadium will be built in Phoenix.

September - Commercial lenders in the Valley are becoming more choosy in their office-space lending activity this year. This is largely due to office vacancy rates being high here in the Valley, just as they are nationally. "Generally the market is moving into an overbuilt situation pretty quickly," said Bob Thompson, vice president of commercial real estate lending for Arizona Bank. "And we tend to think vacancy rates will continue to move up over the next two years." Even Southwest Savings and Loan, which as recently as six months ago was aggressively financing speculative--or vacant--office space, is altering its once bullish outlook. Mel Reese, their senior vice president of real estate lending, says, "Today we're considerably more cautious than we were six to eight months ago. We have not been dealing in any major high-rise or mid-rise buildings lately, and in almost all cases we'd like to see considerable pre-leasing commitments on projects we finance." Thompson, from Arizona Bank, echoes these feelings when he says, "In the market we're moving into (Arizona Bank) wants to do business with people with proven track records, excellent financial capacity, and better locations. We're not reaching to do projects with people we do not know, in secondary locations." He adds, however, that, "I think in first-class locations, there are still some good loans to be made. And there are three factors Arizona Bank believes are more important now than before: location, the borrower's financial capacity, and the borrower's expertise." One thing that appears to be certain is that office-space lending activity will slow down this year. "It has got to," concludes Thompson at Arizona Bank.

A joint plan for the beautification of East McDowell Road was announced in late July by the East McDowell Civic Association (EMCA) and the city of Phoenix. The groups have donated $4,500 to the Arizona State University School of Architecture to develop a streetscape design. The results will be presented on September 20. Graduate students from the college will document the area's needs, and a final scheme will be developed by architectural experts and city engineers.

EMCA was founded in 1979 as a non-profit organization to encourage beautification, zoning, and development of the McDowell area from Central Avenue to 52nd Street, between Virginia and the Papago Freeway.

Red Mountain Ranch Inc., a wholly-owned subsidiary of Mobil Corp., has begun construction on its 820-acre, master-planned community in northeast Mesa. The development, known as Red Mountain Ranch, is Mobil's first project in Arizona. It is located two miles from Falcon Field and one mile from the new corporate headquarters of Hughes Helicopters. The area has been zoned for approximately 2,500 residences, accord-

ing to Carl Schenk, president of Red Mountain Ranch Inc. The site also includes room for a hotel, restaurants, specialty shops, a golf course, and a fully integrated 180-acre business park.

Construction began August 22 on The Pointe at South Mountain, a $55 million resort to be located at Baseline Road and Interstate 10. The Resort will be the hub of a 700-acre mixed-use project by Gosnell Development, which created the other two "Pointe" resort communities in Phoenix. This third, new Pointe is expected to be Arizona's largest resort, employing about 2,300 people with an annual payroll of $24.8 million.

This first phase of The Pointe at South Mountain, scheduled for completion in December, will feature 632 suites, five restaurants, and a convention center. Existing development at the site includes two Pointe-owned restaurants, 350 homes, and more than 1.5 million square feet of occupied office and warehouse space. Future phases are expected to add 333 more suites and four more restaurants.

Construction was begun recently on Hayden Park, a 112,807 square-foot office park at Shea Boulevard and Hayden Road in Scottsdale. The completed complex will include 10 buildings with one-story structures ranging in size from 6,750 square feet to 15,490 square feet. Scheduled for completion in March 1986, the development will feature contemporary buildings with copper-roof sections and landscaped courtyards.

A total of 14,849 homes were sold in Phoenix during the second quarter of this year, according to an Arizona State University College of Business analysis. That number represents a 37 percent increase over the first quarter of 1985.

Following a slow first quarter, new home sales included more than 2,500 single-family homes and about 900 townhouses and condominiums.

The median price of a new single-family home was about $81,000, seven percent higher than the second quarter last year, and $8,500 more than the median resale price. The median price of new townhouses and condominiums was about $64,000, a three percent decline from the previous year.

A 49,000 square-foot assembly and office facility for Foton Production Automation will be built at the Williams Field Business Park near I-10 and Williams Field Road in Chandler. Foton is an international manufacturer of computer-controlled assembly equipment for the semiconductor industry. The $3 million building is scheduled for completion late this year, and is designed so that an equal amount of space can be added in three to five years.

The Koll Company has started development on the final phase of the Koll Business Center-Northwest at Dunlap and 25th Avenue. Phase IV will see the construction of a three-story garden office building totaling 110,000 square feet. Upon completion, the 30-acre business park will house about 130 companies employing 1,500 people.

Biltmore Financial Center Associates has purchased the ARCO service station at the northwest corner of 24th Street and Camelback Road for $1 million. The property is adjacent to the Biltmore Financial Center, currently under construction. The station will be removed from the site, clearing the way for more open space and plaza areas in the complex. Plans also call for widening the intersection to provide easier access to the center, the first phase of which is expected to be completed in September.

Construction began in August on a 133-acre business park at the southeast corner of McKellips and Greenfield roads in Mesa. The developers, Mesa Commerce Center Developers will supervise the master planning, off-site construction, and landscaping of the project, then sell parcels to individual developers beginning in November. David Eaton, a partner in the project, said he expects the park to include office, industrial, and high-tech users. Once interior improvements have been completed, the project will have an estimated value of $19 million.

Kaiser Development Co. broke ground at the beginning of July on the first structure of First Kaiser Center, a 41-acre commercial/industrial, hotel/restaurant complex. Located at the northwest corner of I-10 and the Hohokam Freeway, the $100 million master-planned development is scheduled for occupancy next February. The first structure will be a four-story, 80,000 square-foot brick and glass building.

Construction begins this month on the 250-room Phoenix Airport Hilton Hotel in the Phoenix Airport Center, a 60-acre business park at University Drive and the Hohokam Freeway. Completion of the $21 million business resort is scheduled for fall 1985. The Phoenix Airport Center is expected to include more than a million square feet of office, industrial, and hotel space when fully developed.

October - The Phoenix Planning Commission has approved the building of a high-rise project on the south bank of the Salt River as part of "Southbank," a project which has been proposed by DENRO Limited of Phoenix in partnership with a Minneapolis developer. The unanimous recommendation for approval of buildings up to 15 stories high came despite staff protests that the project would set a precedent for high-rises outside core areas designated for such intense development, and that the project could interfere with plans to add a third runway to Sky Harbor Airport. If built according to plans, the project would put four million square feet of commercial and industrial space between the river and Interstate 10 from 32nd to 40th streets. The developers say they need the tall buildings to give the entire $500 million project a strong identity and to make it competitive. They propose three buildings of eight stories, three of ten stories, and two of 15 stories to be built on 62 acres of the entire 235-acre Southbank parcel.

Construction began on "Capital Centre," the first office building in Phoenix's Governmental Mall to offer space to private business. The $17 million project on 1.6 acres at the southeast corner of 15th Avenue and Washington will have 130,000 square feet of leasable space, including 14,000 square feet of executive suites. The four-story Capital Centre will be constructed with steel frame and contoured block with granite facing. The structure will also feature a two-story rotunda lobby with a 52-foot curved glass exterior.

November - Western Savings broke ground on its new corporate headquarters at the southeast corner of 24th Street and Arizona Biltmore Circle Drive, adjacent to the Mansion Club, also owned by the savings and loan. The complex will include three buildings totaling 125,000 square feet on approximately 11 acres. The two-story, 80,000 square-foot headquarters building will feature one of Arizona's largest copper roofs.

Cardon Homes has started infrastructure improvements on a 400-acre residential community called "Amberlea" in west Phoenix. Located between 83rd and 91st avenues, just north of I-10, the first phase will consist of 136 homes built in a pinwheel cluster. Build-out is estimated at five years and, when completed, the community will have approximately 7,000 residents.

Steer West Profit Sharing Plan will develop a $60 million, 16-story office building at the southwest corner of Central Avenue and Camelback Road which will include 417,000 square feet of office space and five levels of underground parking. The building's north and east faces will feature windows of reflective blue glass accented by stainless steel "pinstriping." The project is scheduled to be completed by the end of 1987.

Del E. Webb Construction Services Co. has begun work on the $39 million, 362-room Phoenix Crescent Hotel, a commercial traveler hotel at Interstate 17 and Dunlap Avenue. The 281,000 square-foot, post-tension concrete facility will employ about 275 people, according to Nickolaus Klotz, Crescent Hotel's president. The Phoenix Crescent will anchor a business park which will be developed in incremental phases during the next five years. It will offer more than 700,000 square feet of office space. The hotel itself will be eight stories high, and will feature a restaurant, con-

ference facilities, and 20,000 square feet of meeting space. It is scheduled to open in November 1986.

Construction is under way on the Chandler Compadre Stadium at Bogle Park, the future site of the Milwaukee Brewers' spring training camp. Located within the 2,700-acre Ocotillo master-planned community at Alma School and Ocotillo roads, the stadium is expected to be complete by spring 1986. When not in use for Cactus League baseball games, the 20-acre park complex will be utilized for community events and as a recreational park.

Tucson has been selected by Del E. Webb Corp. as the site of its next active adult community outside the Phoenix area. They have signed a letter of intent to purchase the 1,000-acre North Village portion of Rancho Vistoso northwest of Tucson, a 7,000-acre proposed planned community. "While Tucson has many similarities to Phoenix, its distinct differences appeal to an alternate market," said Fred Kuentz, Del E. Webb Development Co. chairman. "Both enjoy moderate cost-of-living indices, but Tucson has a more moderate climate, which is important to migrating adults." Kuentz said 300 of the 1,000 acres will be maintained as natural open space. Of the remaining 700, 130 acres will be used for a golf course, leaving 570 acres for residential and commercial development. Potential population is estimated at 5,000.

FINANCE

February - Pima Savings & Loan Association, with headquarters in Tucson, plans to open 15 branches in the Valley in the next five years. The S&L has 23 other offices, most of them in southern Arizona.

Los Angeles-based First Interstate Bank of California plans to cut as many as 875 jobs, or about seven percent of its California work force. A spokesman for First Interstate Bank of Arizona, which is affiliated with First Interstate Bancorp but operates independently, has stated that the California reductions will not affect the Arizona bank and that First Interstate of Arizona anticipates additions to its staff this year.

GOVERNMENT

February - The city of Tucson has been accepting applications for 75 to 100 jobs that will become available over a two-year period for garbage collectors, street maintenance workers, groundskeepers, and utility service workers. Applications for the jobs originally totaled 3,500; about 850 passed the written test and appeared for the second phase of testing.

May - Arizona is finding ways to resolve the problem of delays in distributing food-stamps. Governor Bruce Babbitt recently proposed pumping $1.4 million in additional funds into DES to provide 110 more jobs statewide to help with the processing. A total of 220 workers actually would be added because of matching federal funding. Babbitt's proposal was approved by the state Senate, but was reduced to 36 added workers. The proposal is pending approval from the House.

CONSTRUCTION WORKSHOP

February - A free workshop for minority contractors in the Phoenix area will be held February 15-16. Sponsored by Miller Brewing Co. and a group of community agencies, the two-part workshop is designed to help minorities and economically and socially disadvantaged contractors qualify for construction projects. Registration for the seminar is required and can be made by calling Rick Ponce at 261-8748.

UNEMPLOYMENT INSURANCE

February - Arizona employers began paying lower UI taxes effective January 1 due to the state's healthy economy and low unemployment rate. The tax, which is based on an employer's payroll, is used by the state to pay unemployment benefits. The 1.83 percent tax rate, down from 1.88 percent, puts Arizona among the states with the lowest tax rates.

BUSINESS SERVICES

March - The Avante Business Development Center opened its doors January 10, 1985, to offer low-cost consulting services to

minority firms in Arizona. Located at 333 West Indian School Road, the minority business development center offers the services of an extensive team of MBAs, CPAs, attorneys, and other business professionals with expertise in capital formation, management, finance, marketing, procurement, construction assistance, mergers and acquisitions, bidding, business brokering, and other areas. These services are available for a specially negotiated rate to minority-owned businesses, and business owners that are socially or economically disadvantaged. Eligible companies pay only 10 to 25 percent of the total cost for companies of a given size based on gross sales. For example, if a company grosses under $500,000, consulting costs would be $2.50 per hour. If revenues are over $500,000 annually, consultant cost to the client company is $6.25 per hour. The center is a partnership between Avante International and the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce. One major goal of the center will be to assist minority owners into high technology businesses and away from concentration in service businesses such as janitorial services.

GOVERNMENT/DEFENSE

March - The U.S. Defense Contract Administration Services' Dallas regional headquarters announced that Arizona ranked second in the region in 1984 in the receipt of defense contracts. More than $2 billion split among 5,266 contracts put Arizona second only to Texas in a region including Arizona, Texas, Oklahoma, Arkansas, Louisiana, and New Mexico. The counts do not include contracts administered by a specific service, such as the Army, or contracts in this region but administered by other regions. For example, the Apache helicopter made in Mesa by Hughes Helicopters, presently based in Culver City, California, is administered by the Army and is not included in regional figures. Rank order in the region by firm included:

Texas Instruments, Inc.	$ 4 billion
Motorola, Inc.	958 million
Garrett Turbine Engine, Co.	496 million
Goodyear Aerospace	240 million
Garrett Pneumatic	116 million
Sperry of Albuquerque	116 million

The Arizona Air National Guard will hire 200 and add $17.4 million in construction at its Tucson-based unit. The new additions are in support of an expanded F-16 fighter squadron. The 162nd Tactical Fighter Group will receive an additional 24 F-16s over a period of years with the first six arriving in the fall of 1986.

Hughes Aircraft Co. in Tucson will add 500 to its present work force, if the Reagan Administration's 1986 defense budget line items for Phoenix, AMRAAM, and Maverick missles are adopted by Congress. The items are budgeted in amounts expected by Hughes Aircraft, so staffing increases can proceed as planned during 1985 if no Congressional defense cuts are made to these items.

TRADE

March - Another Price Club cash-and-carry warehouse will be opened somewhere in the Phoenix area, Price Co. executives announced. The announcement was made in conjunction with a stockholders meeting held in Phoenix in January, the first meeting held outside of San Diego, the firm's home base.

A new Diamonds store will be opened somewhere in Arizona during 1985 according to corporate owners, Dillards Department Stores, Inc. Corporate strategy calls for one new store to the Diamonds chain each year within its Arizona and Nevada market territory.

Three new Bobby McGee's Conglomerations will open in 1985 in addition to two restaurants of a brand new concept soon to be tested. The new concept was developed by Muncy's U.S.A. Inc., a corporate affiliate of Bobby McGee's. If successful, the new concept will be further expanded by franchise. In addition, the original Bobby McGee's in Scottsdale will move to a new free-standing building north of its present site.

Perkins Restaurants Inc., a subsidiary of Holiday Inns plans to open 10 family-style restaurants in the Phoenix area within five years. Two will open this year--one in Scottsdale and one in Mesa.

TRANSPORTATION

March - Standard Aero Inc., a Minneapolis-based aircraft maintenance company, opened shop in the former Republican Airlines hangar at Sky Harbor Airport. Company officials intend for the facility to be a $500 million operation within five years, and to employ 800 to 1,000 within three years. At least 250 will be working within a year. The modified hangar will end Sky Harbor's dubious distinction as the only airport among the 20 busiest in the country lacking an airline-maintenance facility. Standard Aero, Inc. is a subsidiary of Federal Industries Ltd., of Winnipeg, Manitoba, Canada.

CLOSINGS

March - The Heileman Brewing Co., Inc. of Phoenix announced it will close its facility at 150 S. 12th Street in mid-March. The loss of Arizona's only remaining brewery will eliminate 92 jobs. Heileman's brews Black Label, Colt .45 Malt Liquor, Mickey's Malt Liquor, and Blatz, and is based in LaCrosse, Wisconsin. A need for improved economies of scale was cited as the reason for closing. The plant has only half the production capacity of other company plants around the country. Heileman's will consider expanding and reopening the plant if it seems feasible. The company has a desire to retain a presence in the Southwest. It will honor recall rights of former employees if it reopens within ten years.

Santa Fe Railway's division-crew change point in Seligman was terminated on February 5. Crews will no longer stop there on the Winslow to Needles run as they have for more than thirty years. Besides losing 12 clerical positions at the depot, the town will lose the lodging and restaurant business that the crew-change point provided.

April - Anaconda Minerals Co. announced plans in March to close its Tucson research center. Its 80 member work force is to be laid off between April 1 and October 1. A depressed metals market and a greater-than-needed research and development capacity were cited as reasons for the closing. Anaconda hopes to sell the 140-acre property, equipment, and 174,000 square feet of buildings after the October closing.

The Thomson Co. is planning to close its Eloy plant. Its work force of 170 will be laid off gradually until the plant's contracts are completed. Its parent company, Salant Corp. filed for financial reorganization under Chapter 11 of the U. S. Bankruptcy code.

December - More bad news for the electronics industry. Data Packaging Corporation, which has manufactured computer reels and plastic boxes at 425 South 67th Street for about 11 years, shut down operations November 1, laying off all of its 80 management and production employees. Company officials said the closing was the result of a significant reduction in demand for its computer-related products and the failure of new products to meet projected sales goals. Employees received severance pay, an extension of benefits, and assistance in finding new jobs.

Digital Applications Incorporated of Phoenix, a printed wiring boards manufacturer, ceased operations at the end of October and laid off its 40 employees. Company officials said the decision was based on continuing losses, declining order backlog, and a changing market that is shifting overseas.

TOURISM

May - Ajo's Chamber of Commerce committee launched a campaign to ensure the town's economic future by encouraging tourism and retirement trade. A great deal of planning, money, time, and work will be necessary to achieve this goal. Bryan Blow, a leader in the committee, listed a few of the projects the Chamber of Commerce is working on: funds are being raised to publish a full-color brochure to advertise Ajo's climate and amenities, and plans for better roads and signs in the community as well as on the highways pointing to Ajo and its attractions. Some economists predicted it will take several years before Ajo's economy is diversified enough to recover in the absence of Phelps Dodge.

July - Arizona's share of the national tourism market declined consistently over the past four years to 1.49 percent in 1985 down from 1.6 percent in 1979. In light of this, director of the Arizona Office of Tourism, J. Phillip Keene III, has asked the state legislature to double its budget to approximately $4 million. Keene says Arizona is "missing the boat" by not doing more tourism promotion and that "we can't take it for granted that people will keep coming here on their own." Keene sees public dollars spent on tourism as "an investment, not an expenditure," as he points out the strong growth in tourism in the late seventies that occurred with only minimal expenditures from the state budget. Currently, Arizona ranks 34th in national expenditures on promotion of tourism.

August - Tourism-related jobs should total 39,300 in Pima County this year, up 80 percent compared with 1975, and tourists are expected to spend up to $1.1 billion this year, according to a City Planning Department study released May 21, 1985. The figures rank tourism near high-tech manufacturing and government as one of the county's largest employers, according to David Taylor, director of economic planning and research for the 75-page countywide study. This study was compiled by the city of Tucson in conjunction with the University of Arizona's Division of Economics and Business Research. Some of the major findings of the report included:

- One out of every 6.5 jobs in Pima County in 1985 will be tourism-related, and travel and tourism expenditures this year will increase personal income by $377.2 million.

- The 40,000 or so jobs generated by the tourism and travel industry in 1985 will double in the next 20 years.

- For every job created directly by tourism in lodging, restaurants, transportation, and entertainment facilities, about two others are eventually created indirectly in support services.

- The projected level of tourism and travel industry revenues to the city of Tucson this year will be about $14.4 million and Pima County will get about $30.5 million. By the year 2000, revenue to the city will have tripled, and for the county the revenue will have increased about eightfold.

- Visitor expenditures in Pima County are projected to be between $935 million and $1.4 billion. By 2000, the report projects expenditures to be between $3.1 billion and $3.7 billion.

- Because of the tourism and travel industry expenditures in Pima County, the total personal income impact of this industry in Arizona, including Pima County, will be $431 million this year and is projected to increase to $3 billion by the year 2000.

REAL ESTATE

June - The Phoenix area is attracting even the most conservative investors to its real estate market. Syndicators, real estate investors, pension funds, lending institutions, and individual investors are all attempting to acquire properties in Phoenix. In fact, real estate dollars, which have been traditionally originated locally, as in neighboring California, are now flowing in from all parts of the country. Why? Well, the phenomenon can largely be explained by the area's sound economic and demographic indicators. Over the past decade, Arizona was the fourth fastest growing state in the country with a population increase of almost 40 percent. Arizona ranked fifth nationally in the rate of job growth over the past ten years with an increase of 49 percent. Also, Arizona ranked sixth nationally in the growth rate of personal income over the past decade with an increase of over 218 percent. Maricopa County also had solid growth. Between 1973 and 1983 population in the county increased by over 204 percent. Looking at 1984, estimations of the population increase in metro-Phoenix run as high as 90,000. Over 22,000 new apartment units were built in 1984, yet the overall vacancy rate increased only slightly. The basic fuel for all of this growth and the foundation of investor optimism is the employment market. The unemployment rate in the Phoenix area is about four percent, which is well below the na-

tional average. Also, the recent employment growth rate has been over eight percent, which is twice the national average. New jobs have been created each of the past two years at a rate of about 65,000 new jobs. More and more firms are opening new facilities, existing firms are expanding, and investors are positioning themselves to get their piece of the expanding pie.

The Phoenix Community Alliance (PCA), comprised of local builders, real estate developers, and other prominent business people, has proposed a concept called "Superblock." The Phoenix City Council has endorsed the project, and an urban design firm hired by the Alliance reported that master planning six blocks at a time into one cohesive development is the best way for downtown Phoenix development to begin. The starting point, PCA believes, should focus on the general area between Van Buren and Roosevelt to the north, Central to the west, and Seventh Street to the east. This area would fit into the existing development pattern and encourage walking between the Civic Center, Symphony Hall, and downtown's major hotels. While the land has not yet been bought by developers, the Alliance is preparing to plan and coordinate both the Superblock and the area surrounding it "for the collective benefit of the community and the collective benefit of the developers."

A study by Coldwell Banker, a real estate company, reported that Phoenix has the lowest industrial-vacancy rate among major cities in the country. That rate dropped to 1.7 percent during the first quarter of 1985 from 3.2 percent in the last quarter of 1984. This was due to a surge in rentals and a slow down in the construction of large industrial buildings. The national industrial vacancy rate is 4.8 percent. In contrast, the same study showed that Phoenix also has one of the highest office-space vacancy rates in the U.S. among major cities. Overbuilding is blamed. The downtown area's rate is 20.7 percent and the suburban area's is 24.9 percent. However, another study shows that, although the office vacancy rate is high in Phoenix, the number of office workers employed here has been growing faster than in any other major city in the country. Colliers International Property Counsultants says Phoenix has the highest annual growth rate--4.49 percent--in office employment since the end of 1982. Tom Richardson of Colliers said, "The same factors that helped make Phoenix a popular resort and retirement community are now contributing to the sustained growth of the city." Nationally, office vacancy rates are 15.3 percent for downtown offices and 18.9 percent for suburban offices.

MERGERS

July - Western Savings and Loan Association has acquired the business of First Trust of Arizona, a subsidiary of First Bank Systems, Minneapolis. First Trust's office are located in Phoenix, Sun City, and Carefree holding an $18.5 million portfolio of individual and personal trusts.

Ceramic Cooling Tower Company has acquired 100 percent of the outstanding capital stock of Tempe-based RLI Inc., manufacturers of Tradewinds evaporating air coolers. "This will give the company a stronger financial base," said Ted Lanier, RLI president.

MORE OFFICE COST INFORMATION

July - Phoenix is among the five least expensive cities in cost per employee for opening a new office, according to a study by Howard Ecker & Company Real Estate, Chicago. The cost per employee is equivalent to non-rental costs plus one year's rent for 200 square feet of office space.

COST PER EMPLOYEE FOR OPENING NEW OFFICE

New York	$24,042	Houston	$15,216
Washington	21,288	PHOENIX	15,093
San Francisco	20,312	Atlanta	15,036
Boston	20,285	St. Louis	14,267
Los Angeles	19,859	Kansas City	14,136

Office rents are 25 percent of the cost of opening a new office. Other costs include furniture and fixtures, office and electronic equipment, interior improvements, decorating, carpeting, design services, and moving expenses. (See April 1985 Newsletter for related article.)

REHIRES

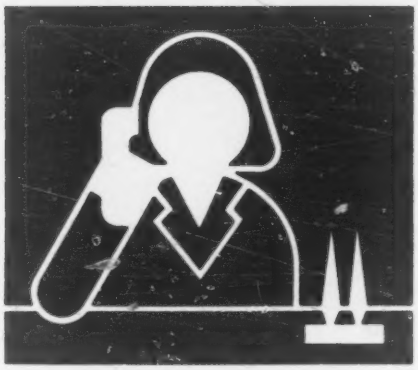
August - Gates Learjet in Tucson announced in mid-May that they were resuming production of their largest jets, and by the end of May had rehired 60 of the 400 workers they hope to rehire by the end of this year. A company spokeswoman said 78 percent of the former employees contacted agreed to come back. Many are leaving other jobs to do so. People who do finishing work on the jets were the last to be laid off and are the first being rehired. Reinstated workers retain seniority and accrued benefits.

AMERICAN INDIAN STUDENTS

September - Arizona State University (ASU) held a reception on July 19 commemorating the passage of Legislative Bill 2112. Leaders from tribes and Indian organizations gathered from around the state. This legislation allows a student from a recognized tribe whose reservation land lies in Arizona and extends into another state to be classified as an in-state student. ASU president, Dr. Russell Nelson, commented that the make-up of the university student body should reflect the make-up of the area's minority populations. Some special efforts are being taken to address this. Passage of the 2112 Bill was a benefit to American Indian students. Also, American Indian freshmen benefitted from an orientation designed especially for them on August 13. ASU is also making some efforts to reach out to minority populations in general. Dr. Miguel Montiel, assistant vice-president for Academic Affairs, is in this new position to advise on academic issues related to minority under-representation. In addition, a 15-member advisory committee will be named to address minority issues.

SERVICES

September - Phoenix has experienced the highest annual percentage of office employment growth since the end of the 1982 recession. It had a 4.49 percent annual growth rate in office employment during this period, followed by Dallas at 3.75 percent and Atlanta at 3.12 percent, according to a 26-city study completed by Colliers International Property Consultants. The Colliers Office Worker/Employment Growth Rate measures which markets are growing fastest in relation to their own base. According to C. Steward Forbes, president of Colliers USA, "As employment grows, there is increased demand for new office space. This past year was the best ever for the Phoenix economy and that has carried over into 1985." Other cities leading the Colliers study on percentage office employment growth rate are Miami (3.04 percent), Columbia SC (2.60 percent), Kansas City (2.53 percent), Seattle (2.13 percent), and Minneapolis (2.13 percent).



Personal computers have become an intrinsic part of educational institutions nationwide. Surprisingly, some educational users have more personal computers than many large corporations. For example, the Macomb Intermediate School District in Michigan has more personal computers than the 10th company on the InfoWorld 100 corporate list. Likewise, Virginia Polytechnic Institute and Los Angeles City Schools would rank among the top 22 companies.

HOW THE TOP 25 EDUCATIONAL USERS RANK
BY INSTALLED BASE OF PERSONAL COMPUTERS

1.	Macomb (Michigan) Intermediate School District	5,994
2.	Virginia Polytechnic Institute	4,100
3.	Los Angeles City Schools	3,785
4.	Clarkson University	3,502
5.	Columbia University-Academic Department	3,198
6.	Drexel University-Administration	3,109
7.	Georgia Institute of Technology	2,519
8.	Stanford University	2,500
9.	Arizona State University	2,023
10.	University of Michigan-Academic/Research	2,006
11.	Stevens Institute of Technology	1,999
12.	University of California	1,998
13.	Massachusetts Institute of Technology	1,700
14.	Maricopa (Arizona) Community College District	1,599
15.	Utah State Data Processing Division	1,553
16.	Brown University	1,501
17.	Dartmouth College	1,499
18.	Brigham Young University	1,390
19.	San Diego City Schools	1,369
20.	Harvard University	1,218
21.	Dallas County (Texas) Community College	1,098
22.	University of Iowa	1,025
23.	Jefferson County (Kentucky) Board of Education	1,019
24.	University of North Carolina	1,014
25.	Triangle University (North Carolina) Computation Center	1,010

EXPANSION

October - Defying the odds in a sagging high-tech industry, Fairchild Data Corporation announced plans to expand its Scottsdale facility by nearly 200 percent. An 80,000 square-foot addition to the present 46,000 square-foot facility will be used for manufacturing activities and offices. Lou Harper, Fairchild's president, said the expansion will allow the company to keep pace with sales and product projections. It will add up to 370 employees to its present workforce of 230.

MORE LAYOFFS, PAY CUTS

November - Motorola's Semiconductor Products Sector is once again laying off employees due to the depth and duration of the semiconductor market down turn. Between 400 and 500 employees are expected to accept early retirement offers, and 300 to 400 will be laid off, furloughed, or transferred. The company is asking some European employees to quit, and all remaining U.S. employees will see graduated salary cuts effective from October 1, 1985 to March 31, 1986.

Intel Corp. has reduced the salaries of nearly half its work force and will shut down production for six days in December in its U.S. operations, including semiconductor plants in Deer Valley and Chandler. The majority of Intel's 2,800 Arizona employees will take pay cuts ranging from 4 to 9.5 percent due to the industry slump. Intel, which laid off 200 workers in Arizona last year, hopes to avoid more layoffs by using salary cuts and freezing all merit pay increases. It was pointed out that higher-paid employees face a larger cut, while workers at the low end of the pay scale will not be affected.

Eleven days after announcing upcoming layoffs for 400 to 500 workers at its plants in Tucson and Wichita, Kansas, Gates Learjet Corp. told 142 of its Tucson employees that they had only one more week to work. The remaining 900 or so employees in Tucson have been told that, in order to cut costs, wages have been frozen until the end of the year and officers and directors have taken voluntary reductions in pay.

NEW JOBS CREATED

November - Nineteen companies representing 10,090 new jobs decided to set up shop in Maricopa County during fiscal 1985 after obtaining information from Phoenix Metrogroup, a consortium of 11 Valley Chambers of Commerce. Metrogroup chairman Steve Jonland touted the tally in mid-September after the release of the group's first annual

report. Nearly nine-tenths of the new jobs cited in the report will result from the siting of the new McDonnell Douglas Helicopters Co. (formerly Hughes Helicopters Co.) offices in Tempe and Mesa and the expansion of Sperry facilities in Glendale. According to Metrogroup's figures, 6,300 new jobs were created at McDonnell Douglas and 2,600 new jobs were created at Sperry.

GATES LEARJET RELOCATION

December - Disappointing Tucson and state officials who had hoped otherwise, Gates Learjet Corporation decided in mid-November to move its manufacturing operations to Wichita, Kansas. The move will result in the layoff of 500 to 550 of the company's 815 Tucson employees. The 200 or so employees remaining will be in the corporate headquarters, marketing, and customer service departments of Gates which, at least for now, will remain in Tucson. James B. Taylor, Gate's president and CEO, tried to stress the positive aspect of the corporate headquarters remaining and added that laid-off employees will receive their vacation and sick-leave time, as much as six weeks of severance pay, early-retirement inducements, and continuation of health insurance and counseling for two months after the layoff which takes place December 13, 1985. Taylor said poor decisions have led to the company's financial problems and need for consolidation.

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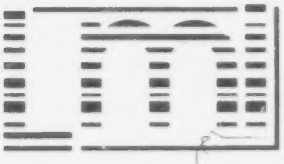

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